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# Spotlight

## ON FOREIGN MARKETING

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U. S. DEPARTMENT OF AGRICULTURE

TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

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NEW P.L. 480 AMENDMENT TO AID EXPORT SALES. The recently passed Cooley Amendment (104 (e), P.L. 480) is expected to aid exports of U. S. farm products. Under the amendment 25 percent of selected Title I sales may be turned over to the Export-Import Bank of Washington which, in turn, may lend these funds to (1) U. S. firms or their branches, subsidiaries, or affiliates for business development and trade expansion in the foreign country, or to (2) either U. S. or foreign firms for expanding markets for and consumption of U. S. agricultural products abroad.

The law requires that the loans be mutually agreeable to the Export-Import Bank and the foreign government. The law prohibits loans for the manufacture of products to be exported to the U. S. in competition with products produced in the United States, or for the manufacture or production of commodities "to be marketed in competition with United States agricultural commodities or the products thereof."

When an agreement is announced it will state whether or not 104 (e) funds are included. At that time the Bank will be in a position to receive applications. It is anticipated that applications will be received either at the Bank or at the American Embassy in the foreign country.

The loans will be made and will be repayable in the foreign currency. The loans may be made for any purpose consistent with the general objectives of the legislation. The maturities will correspond to those used in the Bank's dollar loans to private borrowers. It is expected that the interest rates will be similar to those charged for comparable loans in the foreign country.

The recent \$28 million sale of yellow corn to Mexico is the first Title I Agreement in which the new Cooley Amendment applied. In the future, SPOTLIGHT will report all Title I Agreements, in which 104 (e) is a part, as an aid to market development in foreign countries for U. S. farm products.

Further announcements will be made when the Bank is prepared to receive applications for loans in specific foreign currencies. In the meantime, the basic requirements for making application for loans, which will be incorporated in specific country announcements, appears in the attached special supplement.

USDA POULTRY INSPECTION TO START MAY 1, 1958. Although the law does not become fully effective until January 1, 1959, the May 1 date will permit many firms to take earlier advantage of the Department's free inspection service. At the present time a fee is charged for USDA poultry inspection. Details on Poultry Products Inspection Act have been mailed to attaches in Agriculture Information Bulletin No. 173.



### ATTACHES HELP FOREIGN UNDERSTANDING OF U. S. TRADE POLICIES.

U. S. agricultural attaches are improving trade relations for U. S. agriculture around the world. Here are some recent examples:

New Zealand: Gene Ransom, in a press interview, pointed out that the U. S. is an expanding market for agricultural products and is not a closed market as some people claim. The interview received much publicity.

Union of South Africa: Lou Smith placed an article in the local press stating that other countries are also doing a big job of exporting farm products. Such action helps keep the record straight, especially when some critics insist that the U. S. is cornering world agricultural trade.

India (Bombay): Roy Sellers helped stage an informal ceremony to celebrate the arrival of the 100th shipload of P.L. 480 wheat. The local USIS office gave the event wide publicity. This was an effective way of informing the Indians that the U. S. is an important supplier of wheat to India.

There are always opportunities in friendly countries to improve trade relations through a better understanding of U. S. export-import policies. The U. S. Information Agency is cooperating in this effort. The Agency recently sent a memo -- CA-723 -- to its principal USIS offices, asking them to intensify their public relations efforts in behalf of U. S. agriculture.

CCC MONTHLY SALES LIST FOR NOVEMBER 1957 includes the following commodities: Butter, non-fat dry milk, cheddar cheese, wool, cotton (upland and extra long staple), peanuts, corn, wheat, oats, barley, rye, grain sorghums, soybeans, flaxseed, rice (rough and milled), gum rosin, and gum turpentine.

Main change in the list this month is the addition of soybeans (as available) for domestic crushing or for export.

Interest rates per annum under the CCC deferred payment program for Nov. 1957 are 4-1/2 percent for periods up to six months, 5 percent for periods from over six months and up to 18 months, and 5-1/2 percent for periods from over 18 months up to a maximum of 36 months.

USDA RESEARCH GROUP TO BROADEN FUNCTIONS. An objective expressed at a recent USDA Research Policy Committee Meeting is "to assure agriculture a position in research equal to that of industry."

In the future research objectives in basic and applied research will cover much broader areas of study than heretofore. This greater emphasis is hoped to lead to "(1) new industrial uses for agricultural products that are economically practicable, (2) improved marketing techniques and efficiencies in processing and distribution, (3) expanded domestic and foreign markets, (4) developing, maintaining, and objectively measuring product quality, (5) more effective use of food as a means of achieving human vigor and health, (6) balancing production and market demand, and (7) improved basic information as a background for agricultural policies and programs."

### 35TH AGRICULTURAL OUTLOOK CONFERENCE SET FOR NOVEMBER 18-21.

Attaches will receive sets of speeches and commodity statements through regular channels. Highlights of the FAS statement will be briefed in SPOTLIGHT.

ANNIVERSARY COMING UP. With the next issue SPOTLIGHT on Foreign Marketing will be one year old. Since its inception on November 9, 1956 the newsletter and special supplements have served a variety of purposes in the U. S. and abroad as an aid to promoting dollar sales of U. S. agricultural commodities.

The special supplements are intended to give additional background information on commodities and programs. During the past year the following subjects were covered:

No. 1	Marketing Notes -- U. S. Tobacco	3/11/57
No. 2	Marketing Notes -- U. S. Cotton	4/25/57
No. 3	Marketing Notes -- U. S. Lard	5/20/57
No. 4	Marketing Notes -- U. S. Rice	5/20/57
No. 5	Marketing Notes -- U. S. Wheats	5/31/57
No. 6	Marketing Notes -- U. S. Soybeans	6/14/57
No. 7	Marketing Notes -- U. S. Poultry and Eggs	7/26/57
No. 8	Inspecting Cargo Wheat for Protein	7/26/57
No. 9	Export Credit Programs for Financing Dollar Sales of U. S. Agricultural Commodities	8/21/57
No. 9-A	Export Credit Sales (Additional Information)	10/18/57
No. 10	Shipping Instructions for U. S. Poultry to West Germany (Example of Industry Cooperation)	10/18/57
No. 11	Amendment to P. L. 480 to Help Promote Export Sales (104 (e))	11/7/57

COTTON GOES MODERN. Who says that you can't improve on nature? Cotton's natural qualities are being further improved the ARS Southern Utilization Research and Development Division of New Orleans. Cotton's strength, launderability, coolness, comfort and versatility are well known to consumers.

Now, through the miracle of chemical research, a host of new attributes are being added by various chemical treatments, many developed by ARS's Southern laboratory. True wash-and-wear cotton shirts are now available from American manufacturers; these can be washed, tumble-dried in a dryer, and worn without ironing. Another chemical treatment provides a permanent crease, important for men's trousers, skirts, and other clothing. This newest chemical process, which is yet in the pilot plant stage, will add the qualities of heat and rot resistance, and resistance to deterioration by light, while retaining the natural good qualities of untreated cotton.

At this time, tests are being conducted to determine whether it is commercially more efficient to treat the raw cotton fibers prior to spinning, or to treat the yarns or the fabric after manufacturing. This USDA-developed chemmically treated cotton--called "fully acetylated"--has great potential for industrial uses and as a clothing fabric. Through developments such as these, the cotton industry can compete with the man-made fiber industry in meeting consumer demand for textiles to fit our modern requirements.

AN EXPANDED MARKET FOR U. S. VEGETABLE CAKES AND MEALS can be developed in Western Europe, according to the findings of a recent 3-month survey conducted by Prof. H. Hieronymus, Ag. Economist, U. of Illinois, under a cooperative arrangement with FAS.



TABLE I, GUIDE TO COMMERCIAL SALES

Commodity	Unit	Grade, Type or Variety	Location	Latest Price week of 10/25/57	Price Year Earlier
Wheat 1/	Bushel	#2 H. W.	Galveston	\$2.30-2.40	\$2.46-2.52
"	"	#1 S. W.	Portland	2.30	2.25-2.26
"	"	#2 S. R. W. Vessel	Baltimore	2.30-2.31	---
Beans	100#	#1 Gr. Northern	Idaho Points	7.65-7.75	6.75-6.85
Cottonseed Oil	Pound	B.P.S.Y.	Dec.Fut., N.Y.	.1525	.1578
Soybean Oil	"	Refined	New York	.1460	.1562
Cottonseed Oil	"	Crude	Valley	.1262-.1275	.1350-.1362
Soybean Oil	"	"	Decatur, Ill.	.1138-.1150	.1275-.1288
Linseed Oil	"	Raw	Minneapolis	.1500	.1330
Soybeans	Bushel	#1	Chicago	2.25	2.36
Lard	Pound	Refined 50# tin	Chicago	.1400	.1500
Tallow	"	Prime Inedible	Chicago-FOB	.07875	.0675
Greases	"	Choice White	" "	.09375	.0825
Cottonseed Meal	Sh. Tn.	41% Bagged	Memphis	50.50	56.00
Soybean Meal	" "	44% Bagged	Decatur	50.50	50.00
Milk, Evap.	Case	48-141/2 oz.	Pac.Cst.Mkts.	5.95-6.45	5.80-6.30
Eggs, Shell	Doz.Med.	Mixed colors	New York	.4200-.4300	.3050-.3150
" Dried	Pound	Whole	" "	1.08-1.20	1.00-1.19
Beef Trimmings	"	75-85% lean froz.	Chicago	.3000	.2150
Beef Hearts	"	Regular frozen	"	.1950	.1275
Beef Livers	"	" "	"	.1600	.1300
Pork Trimmings	"	" "	"	.1700	.1400
Chicken, R. C.	"	Gr. A Broilers	New York	.2950-.3300	.2900-.2950
Turkey, R. C.	"	Gr. A Beltsville	" "	.4050-.4150	.4550
Canned Apricots	Doz. #2-1/2	Choice Halves	FOB-Calif.	3.075	3.15
" Peaches	" "	" "	" "	2.60	2.60-2.70
" Pears	" "	" "	" "	3.15-3.25	3.50-3.60
Grapefruit Secs.	Doz. #303	Fancy, Lt. syrup	FOB-Florida	1.60	1.55
Orange Juice	Doz. 46 oz.	Sweetened	" "	not quoted	2.85
Oranges, Fresh	Std. Ctn.	Size 163 Valencia	FOB-Calif.	2.53	---
Lemons, Fresh	" "	" "	FOB-Calif.	2.18	3.24
Raisins	Lb. Bulk	Natl. Thompson	FAS-Calif.	.1450-.1625	.12-.1225
Prunes	Pound	80-90	" "	.10-.11	.1175

1/ Domestic sales price. Export sales subject to IWA or CCC subsidy.

TABLE II, C.C.C. PORT PRICES FOR EXPORT

Commodity	Unit	Grade, Type or Variety	Port Location	Latest Prices	Date of Sales 1957
Cotton	Pound	Upland	Any U.S. port and storage location	\$ .2726	Oct. 14 - 18
Corn	Bushel	No. 2 Yellow	Atlantic Gulf Laredo Pacific	1.25-1/4 - 1.27-1/8 1.21-1/4 - 1.22-3/4 1.39-1/4 - 1.39-1/2 1.37-1/4 - 1.38-3/8	" " " "
Grain Sorghum	Cwt.	- -	Gulf Laredo	1.90-1/8 1.94	" "
Barley	Bushel	No. 3 & 4	FAS Gulf & N. W. ports Pacific	.89-3/4 - .95-1/4 .92-3/8	" "
Oats	"	No. 3 Heavy & No. 5 Red	Gulf and Atlantic	.48-1/8 - .53-7/8	"
Rye	"	No. 3	Atlantic	1.15-3/8 - 1.16	"
Rice	Cwt.	Milled	Gulf	6.21 - 6.53	"
Peanuts	Pound	Rough	Pacific	4.31 - 4.38	"
Cheese	"	Cheddar (std. moisture basis)	Gulf Any U.S. port	.0781 - .08 .22	" "
Butter	"		Any U.S. port	.39 (fixed)	"
Milk	"	Spray	Any U.S. port	.099 (fixed)	"

INFORMATION REQUIRED BY THE EXPORT-IMPORT BANK OF WASHINGTON  
IN CONNECTION WITH AN APPLICATION FOR A LOAN OF FOREIGN CURRENCY  
PURSUANT TO SEC. 104(e), AGRICULTURAL TRADE DEVELOPMENT AND  
ASSISTANCE ACT OF 1954, AS AMENDED (P.L. 480)

An application in the form of a letter may be filed either at the Export-Import Bank in Washington, D. C., or the U. S. Embassy in the country in which the loan is desired. The application and all supplementary documents must be submitted in English. All money amounts should be expressed in the currency to be borrowed.

The letter of application should include the following information:

1. The name and address of the applicant.
2. The amount of the requested loan and the desired repayment schedule.
3. The nature of the applicant's business organization (whether it is a corporation, partnership, or other form), the country where the applicant was incorporated or organized, and the precise nature of the applicant's affiliation with U. S. business organizations, if any.
4. The nature of the applicant's business, including (a) its history, (b) its present and contemplated activities, (c) the items or services which it produces, (d) the source of its raw materials, (e) the markets supplied, (f) the identity of the principal owners, and (g) governmental participation, if any.
5. The general purposes of the proposed loan, including the anticipated volume and kind of end products or services which would be produced and the benefits accruing to the country where the investment would be made. The applicant should present any engineering and economic data and market surveys which are pertinent to the proposed loan.
6. The proposed uses to be made of the loan proceeds classified by object of expenditure (payrolls, inventories, general operating expenses) or by categories of installations or services to be procured.
7. Any other financing which the applicant has already obtained or is contemplating which relates to the same general purposes as the proposed loan, showing in each case (a) the source of financing, (b) the amount, (c) when the credit was or will be obtained, (d) the security given or offered, (e) the interest rate, and (f) the repayment terms.
8. The security, if any, which the applicant offers, such as a guaranty or collateral. If a guaranty is offered, the name and address of each guarantor should be submitted as well as an official or signed current financial statement of each guarantor. It is important to know the net worth of the guarantor, exclusive of his

interest, if any, in the applicant's business. If collateral is offered the property to which the collateral relates should be described and existing liens on such property should be indicated. The date when the property was acquired, its costs, its net book value and its current market or appraised value should be indicated in each case.

9. The most recent regularly prepared balance sheets and profit and loss statements of the applicant. If the most recent balance sheet is more than one year old or no regular balance sheet is available, an informal but current one should be obtained. All financial statements should be audited if possible but otherwise signed by an officer of the applicant. Where the proposed loan is to be guaranteed by a commercial bank or other financial institution, the applicant's financial statements may cover the latest 12 months only. In other cases they should cover the latest three years.

10. A proposed schedule for the repayment of the loan. If this schedule covers more than three years, a statement should be obtained showing the sources of funds for the applicant during the period of repayment as well as the uses which are to be made of these funds.

11. The officers, directors, or partners of the applicant, and the percentage of ownership in the applicant held by each individual listed.

12. The names of banks with whom the applicant ordinarily does business.

The above information should be presented in as much detail as is necessary for an understanding of the proposed loan. Any other information which appears pertinent also should be submitted.